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1. Paul Maloney

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REMARKS

I recommend assigning someone from
Frank to work with Atlanta on exploring
the "CIA" question. I wouldn't hint
the over to LIA - consider looking at
State's files as well
As for the missing person, what can we do
to assist Atlanta?

3/2/90

Ted, per ~~the~~ can please handle

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FROM: (Name, org. symbol, Agency/Post)

MARK M. RICHARD

Deputy Assistant Attorney General

Criminal Division

Room No.—Bldg.

Phone No.

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U.S. GPO: 1990-754-313

OPTIONAL FORM 41 (Rev. 7-76)

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United States Attorney
Northern District of Georgia

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Atlanta, Georgia 30335

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July 3, 1990

Mr. Mark M. Richard
Deputy Assistant Attorney General
U.S. Department of Justice
Room 2113
Main Justice Building
Washington, DC 20530

Re: Banca Nazionale del Lavoro (BNL) Investigation

Dear Mr. Richard:

I would like to take this opportunity to advise you of the current status of the BNL investigation.

As you know, when we last met on the case in May, we reached an understanding that this office will proceed to prepare for your perusal and approval a draft indictment and prosecution memorandum in support of Phase One of the investigation. This initial indictment will involve former officers and employees of the Atlanta office of BNL as defendants, its client customers, and will allege violations of 18 U.S.C. §§ 371, 493, 1001, 1341, 1343 and 2314, violations of 50 U.S.C. Appendix §§ 5 and 16, and allegations of 26 U.S.C. §§ 7201 and 7206(1). Preparation of the initial draft indictment is proceeding and will be transmitted to you soon. We will be happy to meet with you here or in Washington to discuss the proposed indictment.

Our investigation is currently focused on fine tuning the Phase One indictment and gathering information to frame the Phase Two indictment. You will recall that Phase Two involves violations of the Foreign Corrupt Practice Act, Hobbs Act, and false and fraudulent statements relating to U.S. Department of Agriculture and CCC loan guarantees. The subjects of Phase Two include American exporters doing business with Iraqis employed by the Iraqi Ministry of Industry and Military Manufacturing, and certain Iraqi nationals.

JUL 11 1990
m.m.R.

More specifically, in relation to Phase One and Two, investigators are engaged in the following:

1. Letters Rogatory are being prepared for Luxembourg and Swiss financial institutions to obtain documents reflecting payments made to subject Drogoul from CCC guaranteed Entrade/Enka corn shipments to Iraq.
2. Arrangements are being made to interview Wafi Dajani, an associate of Drogoul, whom allegedly had previously stated BNL "Rome knew" of irregularities in Atlanta.
3. A determination of Enka's role in after service payments to Iraq.
4. A determination of the destination of a shipment of sidewinder missiles.
5. Whether payments were made to Iraq officials for bid information (for CCC guaranteed loans) by two American companies, Dantzler of Puerto Rico and AID of Atlanta.

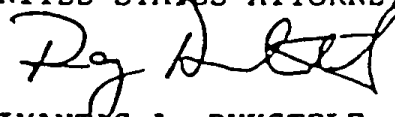
Two issues have arisen which appear to be potential stumbling blocks to the investigation -- what knowledge and role, if any, the Central Intelligence Agency had or played in BNL dealings with foreign governments in general and Iraq more specifically; and, whether or not Sadik H. Taha, the Director General for Agreements and Loans, Central Bank of Iraq, and a key potential defendant, is alive.

I cannot over emphasize to you the importance of the answers to these questions to our overall investigation. As you well know, experience has demonstrated that CIA knowledge and participation can seriously impact a decision to prosecute. In addition, if Mr. Taha is dead, as has been reported by the European press, it would cause serious embarrassment to our government to prosecute him. I am respectfully requesting that you and your good office take necessary steps to obtain answers to these questions. We will be delighted to assist you in any way, to include going to Langley to assist in any document review or analysis.

In the meantime I will keep you advised of our investigation.
Thank you for your assistance. I look forward to seeing you soon.

Sincerely,

JOE D. WHITLEY
UNITED STATES ATTORNEY

A handwritten signature in dark ink, appearing to read "Rg Rukstele", written over the typed name of the first assistant.

RIMANTAS A. RUKSTELE
FIRST ASSISTANT &
CHIEF, CRIMINAL DIVISION

RAR:aiw

cc: Larry Urgenson
Chief, Fraud Section